

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Alejandro Javier Cervantes-Arnold (“Plaintiff”) and Defendant AmTrust Financial Services, Inc. (“AmTrust” or “Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

- 1.1. “Action” means the Plaintiff’s lawsuit alleging misclassification and wage and hour violations against Defendant initiated on October 7, 2022 pending in Superior Court of the State of California, County of Los Angeles, Case No. 22STCV33034.
- 1.2. “Administrator” means Simpluris, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former exempt Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by Defendant in the State of California at any time during the PAGA Period, but excluding any Complex/Specialty Adjusters, Complex Claims Adjusters, Claims Technical Operations Specialists II, and Technical Claims Specialists.
- 1.5. “Class Counsel” means Lavi & Ebrahimian, LLP, including Joseph Lavi, Vincent Granberry, Antonia McKee, Eve Howe, and all lawyers affiliated with this firm.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.7. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, number of Exemption Class Period Workweeks, number of Reimbursement Class Period Workweeks, and PAGA Pay Periods.
- 1.8. “Class Member” or “Settlement Class Member” means a member of the Exemption Class and/or Reimbursement Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.9. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.10. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation in the form if applicable, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.11. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.12. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.13. “Court” means the Superior Court of California, County of Los Angeles.
- 1.14. “Defendant” means named Defendant AmTrust Financial Services, Inc.
- 1.15. “Defense Counsel” means Jackson Lewis, P.C., including Nicky Jatana, Andrea F. Oxman, Kishaniah Dhamodaran, and all lawyers affiliated with this firm.
- 1.16. “Effective Date” means the date when all of the following events have occurred: (1) this Agreement has been executed by all Parties, Class Counsel and Defense Counsel; (2) the Court has given preliminary approval to this Agreement as to the Action; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Agreement or to opt out of this Agreement; (4) the Court has held a formal fairness hearing and entered a final order and Judgment certifying the Settlement Class, dismissing the Action with prejudice, and approving this Agreement; (5) forty-five (45) calendar days have passed since the Court has entered a final order and Judgment certifying the Settlement Class, dismissing the Action with prejudice, and approving this Agreement; and (6) in the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s final order approving this Agreement have elapsed without any appeal, writ or other appellate proceeding having been filed; or, (b) if any appeal, writ or other appellate proceeding opposing the Court’s final order approving this Agreement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing this Agreement has been finally and conclusively dismissed with no right to pursue further remedies or relief.
- 1.17. “Exemption Class” or “Exemption Class Members” means all current and former exempt Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by Defendant in the State of California at any time during the Class Period, but excluding any Complex/Specialty Adjusters, Complex Claims Adjusters, Claims Technical Operations Specialists II, and Technical Claims Specialists.
- 1.18. “Exemption Class Period” means the period from October 7, 2018 through the date the Court grants Preliminary Approval of the Class Action Settlement, but no later than October 22, 2023.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Two Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$2,250,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Exemption Class Payments, Individual Reimbursement Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Defendant’s share of the employer’s payroll taxes, interest, and the Administration Expenses Payment.
- 1.23. “Individual Exemption Class Payment” means the Participating Exemption Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Exemption Class Period.
- 1.24. “Individual Reimbursement Class Payment” means the Participating Reimbursement Class Member’s pro rata share of the Reimbursement Settlement Amount calculated according to the number of Workweeks worked during the Reimbursement Class Period.
- 1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28. “LWDA PAGA Payment” means the seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual Reimbursement Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Defendant’s share of the employer’s payroll taxes, interest, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Exemption Class Payments.

- 1.30. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee was employed by Defendant for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period from October 23, 2021 through the date the Court grants Preliminary Approval of the Class Action Settlement, which includes approval of the PAGA Settlement, but no later than October 22, 2023.
- 1.33. “PAGA” means the Private Attorneys General Act (Labor Code sections 2698, et seq.).
- 1.34. “PAGA Action” means the Plaintiff’s lawsuit against Defendant seeking penalties pursuant to PAGA, initiated on December 27, 2022 pending in Superior Court of the State of California, County of Los Angeles, Case No. 22STCV40237.
- 1.35. “PAGA Notice” means Plaintiff’s October 19, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.36. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated twenty-five (25%) to the Aggrieved Employees (\$5,000) and seventy-five percent (75%) to the LWDA (\$15,000) in settlement of PAGA claims.
- 1.37. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.38. “Plaintiff” means Alejandro Javier Cervantes-Arnold, the named Plaintiff in the Action.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41. “Reimbursement Class” or “Reimbursement Class Members” means all current and former Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by Defendant in the State of California who worked remotely at any time during the Reimbursement Class Period, but excluding any and all class members in the following class actions: *Alexandria v. AmTrust* (Case No. 37-2022-00048165-CU-OE-CTL), pending in the Superior Court of California, County of San Diego; and *Gonzalez v. AmTrust* (Case No. MSC21-01344), pending in the Superior Court of California, County of Contra Costa.
- 1.42. “Reimbursement Class Period” means the periods from October 7, 2018 through March 7, 2020 and from March 8, 2022 through the date the Court grants Preliminary Approval of the Class Action Settlement, but no later than October 22, 2023.

- 1.43. “Reimbursement Settlement Amount” means Ten Thousand Dollars and Zero Cents Only (\$10,000.00), which is the total amount to be paid from the Gross Settlement Amount as individual settlement awards to eligible Reimbursement Class Members.
- 1.44. “Released Exemption Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.45. “Released Reimbursement Class Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.46. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.47. “Released Parties” means: Defendant and all of its present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Exemption Class Claims, Released Reimbursement Class Claims, and/or Released PAGA Claims, respectively, and Defendant’s counsel of record in the Action.
- 1.48. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.49. “Response Deadline” means forty-five (45) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline.
- 1.50. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.51. “Workweek” means any week during which an Exemption Class Member and/or Reimbursement Class Member was employed by Defendant for at least one day during the Exemption Class Period and/or Reimbursement Class Period.

2. RECITALS

- 2.1. On October 7, 2022, Plaintiff commenced this Action by filing a Complaint alleging the following causes of action against Defendant: (1) Declaratory Relief (with respect to whether Defendant misclassified Plaintiff and Exemption Class Members as “exempt employees” when, in fact, they were “non-exempt”); (2) Failure to Pay Overtime Wages for Daily Overtime Worked in Violation of Labor Code Sections 510 and 1194; (3) Failure to Authorize or Permit Meal Periods in Violation of Labor Code Sections 512 and 226.7; (4) Failure to Authorize or Permit Rest Periods in Violation of

- Labor Code Section 226.7; (5) Failure to Indemnify Employees for Employment-Related Losses/Expenditures in Violation of Labor Code Section 2802; (6) Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204; (7) Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code Section 226; (8) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, and 203; and (9) Unfair Business Practices, in Violation of Business and Professions Code Sections 17200, *Et Seq.*
- 2.2. On November 18, 2022, Defendant removed the Action to the United States District Court for the Central District of California pursuant to 28 U.S.C. sections 1332, 1441, 1446, and 1453 (the Class Action Fairness Act). The federal court subsequently remanded the Action to state court for lack of subject matter jurisdiction on December 27, 2022.
 - 2.3. On December 27, 2022, Plaintiff commenced the PAGA Action against Defendant.
 - 2.4. On December 5, 2023, Plaintiff filed a First Amended Complaint in the Action, adding a PAGA cause of action. Plaintiff agrees to dismiss the PAGA Action without prejudice upon execution of this Agreement.
 - 2.5. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
 - 2.6. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
 - 2.7. On August 23, 2023, Plaintiff and Defendant, by and through the Class Counsel and Defense Counsel, respectively, participated in an all-day mediation presided over by Todd A. Smith, which led to this Agreement to settle the Action and the PAGA Action.
 - 2.8. Prior to mediation, Plaintiff obtained, through informal discovery, pay records and other information relating to the size and scope of the Class and the Aggrieved Employees, as well as data permitting Plaintiff to fully understand the nature and scope of the allegations in the Action and the PAGA Action. However, given the nature of the alleged causes of action, detailed time records were not available as Class Members were classified as exempt by Defendant and thus, did not clock in or out every workday. Plaintiff’s investigation was still sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
 - 2.9. The Court has not granted class certification.
 - 2.10. The Parties represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Two Million Two Hundred Fifty Thousand Dollars and Zero Cents (\$2,250,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Nine Thousand Five Hundred Dollars and Zero Cents (\$9,500.00) (in addition to any Individual Exemption Class Payment, Individual Reimbursement Class Payment, and/or any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-three and one-third percent (33 1/3%), which is currently estimated to be Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00), and a Class Counsel Litigation Expenses Payment of not more than Twelve Thousand Dollars and Zero Cents (\$12,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class

Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant and the Released Parties harmless, and indemnifies Defendant and the Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed Fifteen Thousand Dollars and Zero Cents Only (\$15,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than Fifteen Thousand Dollars and Zero Cents Only (\$15,000.00), the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Exemption Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Exemption Class Members during the Exemption Class Period and (b) multiplying the result by each Participating Exemption Class Member's Workweeks.
 - 3.2.4.1. Tax Allocation of Individual Exemption Class Payments: Fifteen percent (15%) of each Participating Exemption Class Member's Individual Exemption Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The other eighty-five percent (85%) of each Participating Exemption Class Member's Individual Exemption Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"), with forty-three percent (43%) going to interest and forty-two percent (42%) going to penalties. The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Exemption Class Payment.
 - 3.2.4.2. Effect of Non-Participating Exemption Class Members on Calculation of Individual Exemption Class Payments: Non-Participating Exemption Class Members will not receive any Individual Exemption Class Payments. The Administrator will retain amounts equal to their Individual Exemption Class Payments in the Net Settlement Amount for distribution to Participating Exemption Class Members on a pro rata basis.
- 3.2.5. To Each Participating Reimbursement Class Member: An Individual Reimbursement Class Payment calculated by dividing the Reimbursement Settlement Amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) among the Participating Reimbursement Class Members. Each Participating

Reimbursement Class Member shall receive an proportional share of the Reimbursement Settlement Amount, based on the number of workweeks worked for Defendant during the Reimbursement Class Period.

3.2.5.1. Tax Allocation of Individual Reimbursement Class Payments: If the Court approves a Reimbursement Settlement Amount of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual Reimbursement Class Payments on IRS 1099 Forms. Participating Reimbursement Class Members assume full responsibility and liability for any taxes owed on their Individual Reimbursement Class Payment.

3.2.5.2. Effect of Non-Participating Reimbursement Class Members on Calculation of Individual Reimbursement Class Payments: Non-Participating Reimbursement Class Members will not receive any Individual Reimbursement Class Payments. The Administrator will retain amounts equal to their Individual Reimbursement Class Payments in the Reimbursement Settlement Amount for distribution to Participating Reimbursement Class Members on a pro rata basis.

3.2.6. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) to be paid from the Gross Settlement Amount, with seventy-five percent (75%) (\$15,000.00) allocated to the LWDA PAGA Payment and twenty-five percent (25%) (\$5,000.00) allocated to the Individual PAGA Payments.

3.2.6.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Exemption Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 262 Class Members who collectively worked a total 23,373 of Workweeks, and 164 Aggrieved Employees who worked a total of 3,962 PAGA Pay Periods.

- 4.2. Class Data: Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount: Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Exemption Class Payments, all Individual Reimbursement Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Exemption Class Payments, Individual Reimbursement Class Payments, and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Exemption Class Payments, Individual Reimbursement Class Payments, and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Exemption Class Payments and Individual Reimbursement Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Exemption Class Payment, Individual Reimbursement Class Payment, and the Individual PAGA Payment. Before mailing any checks, the Settlement

Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
 - 4.4.3. For any Class Member whose Individual Exemption Class Payment check, Individual Reimbursement Class Payment check, or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). Any fees or costs associated with depositing the uncashed checks with the California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement Amount.
 - 4.4.4. The payment of Individual Exemption Class Payments, Individual Reimbursement Class Payments, and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
5. **RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:
- 5.1. **Plaintiff's Release:** Plaintiff and his former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this Agreement ("Plaintiff's Release"). Plaintiff's Release includes, but is not limited to, all of the Released Class Claims, the Released PAGA Claims, and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to,

42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542: For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Participating Exemption Class Members: All Participating Exemption Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under state, federal and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Exemption Class Members, including without limitation, California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 218.6, 226, 226.3, 226.7, 500, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged misclassification, unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the Exemption Class Period. Except as set forth in Section 5.4 of this Agreement, Participating Exemption Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability,

social security, workers' compensation, or claims based on facts occurring outside the Exemption Class Period.

- 5.3. Release by Participating Reimbursement Class Members: All Participating Reimbursement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under state, federal and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Reimbursement Class Members, including without limitation, California Labor Code sections 2802, Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged business expense reimbursement, penalties related to the claims listed above, interest, fees, and costs throughout the Reimbursement Class Period. Except as set forth in Section 5.4 of this Agreement, Participating Reimbursement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Reimbursement Class Period.
- 5.4. Release by Aggrieved Employees: All Aggrieved Employees, including those who are Non-Participating Class Members, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged in the PAGA Action or PAGA Notice and during the PAGA Period and ascertained in the course of the Action and PAGA Action, including civil penalties pursuant to PAGA for or related to alleged unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unreimbursed business expenses, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, attorneys' fees, costs, as well as all other claims and allegations alleged in the PAGA Action, PAGA Notice, and Action during the PAGA Period ("Released PAGA Claims").
6. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.
 - 6.1. Plaintiff's Responsibilities: Plaintiff, through his Counsel, will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699,

subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), and this Agreement (Labor Code section 2699, subd. (1)(2))); (vi) a redlined version of the Parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of Counsel: Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.3. Duty to Cooperate: If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator: The Parties have jointly selected Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their

Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members:
 - 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than forty-five (45) days after the Court grants Preliminary Approval of the Settlement, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation if applicable, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Exemption Class Payment, Individual Reimbursement Class Payment, and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
 - 7.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4. The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator

will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs):

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Aggrieved Employees are prohibited from requesting exclusion from the Settlement of the PAGA Action and the corresponding Released PAGA Claims.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members and Aggrieved Employees' Releases under Paragraphs 5.2, 5.3, and 5.4 of this Agreement, regardless whether the

Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Exemption Class Payment or Individual Reimbursement Class Payment, nor shall such Class Member have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks and Pay Periods: Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenge(s).

7.7. Objections to Settlement:

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.7.4. Aggrieved Employees are not permitted to object to any of the PAGA components of the Settlement.

7.8. Administrator Duties: The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List: The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. Weekly Reports: The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Exemption Class Payments, Individual Reimbursement Class Payments, and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Workweek and/or Pay Period Challenges: The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator’s Declaration: Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the

Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.6. Final Report by Settlement Administrator: Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are: (1) 262 Class Members who worked a total of 23,373 Workweeks during the Class Period; and (2) 164 Aggrieved Employees who worked a total of 3,962 Pay Periods during the PAGA Period. To the extent that the actual number of Workweeks exceeds 23,373 by more than 5%, the Gross Settlement Amount shall be increased by the same percentage exceeding 5% (e.g., to the extent that there are actually 24,775.38 Workweeks, or 6% more than 23,373, then the Gross Settlement Amount shall be increased by 1%).
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members, Defendant may elect to, but is not obligated to, withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all the Administration Expenses Payment incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents

to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1. Response to Objections: Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2. Duty to Cooperate: If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. Continuing Jurisdiction of the Court: The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Waiver of Right to Appeal: Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected and set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-Judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment: If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing,

on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes: This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Confidentiality Prior to Preliminary Approval: The Parties agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This

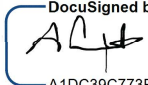
- paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. No Solicitation: The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement: Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization: Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation: The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by a Party in this Settlement.
- 12.8. No Tax Advice: Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement: This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors: This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 12.11. Applicable Law: All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting: The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality: To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data: Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.15. Headings: The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days: Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice: All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, to the other Party's respective counsel of record.
- 12.18. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties

further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: May 3, 2024

Alejandro Javier Cervantes-Arnold

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Dated: May __, 2024

AmTrust Financial Services, Inc.

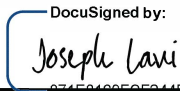
By: Kelley J. Barnett

Title: Senior Vice President, Corporate Counsel

Approved as to form:

Dated: May 3, 2024

LAVI & EBRAHIMIAN, LLP

DocuSigned by:

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Joseph Lavi, Esq.
Vincent Granberry, Esq.
Antonia McKee, Esq.
Eve Howe, Esq.
Attorneys for Alejandro Javier Cervantes-Arnold, on behalf of himself and all others similarly situated

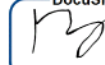
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Dated: May __, 2024

Alejandro Javier Cervantes-Arnold

Dated: May 3, 2024

AmTrust Financial Services, Inc.

DocuSigned by:

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By: Kelley J. Barnett

Title: Senior Vice President, Corporate Counsel

Approved as to form:

Dated: May __, 2024

LAVI & EBRAHIMIAN, LLP

Joseph Lavi, Esq.
Vincent Granberry, Esq.
Antonia McKee, Esq.
Eve Howe, Esq.
Attorneys for Alejandro Javier Cervantes-Arnold, on behalf of himself and all others similarly situated

Dated: May ³__, 2024

JACKSON LEWIS P.C.

/s/ Andrea F. Oxman

Nicky Jatana, Esq.
Andrea F. Oxman, Esq.
Kishaniah Dhamodaran, Esq.
Attorneys for Defendant AmTrust Financial
Services, Inc.

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Alejandro Javier Cervantes-Arnold v. AmTrust Financial Services, Inc. (Case No. 22STCV33034)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) entitled *Alejandro Javier Cervantes-Arnold v. AmTrust Financial Services, Inc.* for alleged wage and hour violations. The Action was filed by a former AmTrust employee (“Plaintiff”) and seeks (1) monetary relief and penalties related to the alleged misclassification of hourly, non-exempt employees as exempt employees, including payment of back wages (unpaid overtime and minimum wage), meal and rest period premiums, penalties for failure to timely pay wages during and upon separation of employment, and for inaccurate wage statements, on behalf of Plaintiff and for a class of exempt Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by AmTrust during the Exemption Class Period from October 7, 2018 through October 22, 2023 (“Exemption Class Members”); (2) monetary relief and penalties related to alleged unreimbursed employment-related losses and expenditures on behalf of Plaintiff and for a class of exempt Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by AmTrust and who worked remotely for AmTrust during the Reimbursement Class Period from October 7, 2018 through March 7, 2020 and again from March 8, 2022 through October 22, 2023 (“Reimbursement Class Members”); and (3) civil penalties under the California Private Attorneys General Act (“PAGA”) for all exempt Claims Adjusters III, Claims Specialists III, and Subrogation Adjusters III employed by AmTrust during the PAGA Period from October 23, 2021 through October 22, 2023 (“Aggrieved Employees”). For the purposes of this Notice, AmTrust Financial Services, Inc. shall be referred to here as AmTrust or the “Company.”

The proposed Settlement has three main parts: (1) an Exemption Class Settlement requiring the Company to fund Individual Exemption Class Payments, (2) a Reimbursement Class Settlement requiring the Company to fund Individual Reimbursement Class Payments, and (3) a PAGA Settlement requiring the Company to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on the Company’s records, and the parties’ current assumptions, **your Individual Exemption Class Payment is estimated to be \$ [REDACTED] (less withholding), your Individual Reimbursement Class Payment is estimated to be \$ [REDACTED], and your Individual PAGA Payment is estimated to be \$ [REDACTED].** The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for either your Individual Reimbursement Class Payment or your Individual PAGA Payment, then according to the Company’s records you are not eligible for these payments under the Settlement because you either did not work remotely during the Reimbursement Class Period or you did not work during the PAGA Period, respectively.

The above estimates are based on the Company's records showing that **you worked [REDACTED] workweeks** during the Exemption Class Period; **you worked [REDACTED] workweeks** during the Reimbursement Class Period; and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. *See* Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires the Company to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against the Company.

If you worked for the Company during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Exemption Class Payment, Individual Reimbursement Class Payment, and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Company.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Exemption Class Payment or Individual Reimbursement Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against the Company, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. **You cannot opt-out of the PAGA portion of the proposed Settlement.**

The Company will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You don't have to do anything to participate in the Settlement.	If you do nothing, you will be a Participating Class Member, eligible for an Individual Exemption Class Payment, Individual Reimbursement Class Payment (if any), and/or an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against the Company that are covered by this Settlement (Released Claims).
You can opt-out of the Class Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a

but not the PAGA Settlement. The opt-out deadline is [REDACTED].	written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. <i>See</i> Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. The Company must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members can object to the Class Settlement but not the PAGA Settlement. Written objections must be submitted by [REDACTED].	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See</i> Section 7 of this Notice.
You can participate in the Final Approval Hearing.	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. <i>See</i> Section 8 of this Notice.
You can challenge the calculation of your Workweeks/Pay Periods. Written challenges must be submitted by [REDACTED].	The amount of your Individual Exemption Class Payment, Individual Reimbursement Class Payment, and PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many Pay Periods you worked during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to the Company’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. <i>See</i> Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Company employee. The Action accuses the Company of violating California labor laws by allegedly misclassifying Claims Adjusters III, Claims Specialists III, and

Subrogation Adjusters III as exempt employees, and as a result, failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698, et seq.) (also referred to as PAGA in this Notice).

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether the Company or Plaintiff is correct on the merits. In the meantime, Plaintiff and the Company hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and the Company have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, the Company does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) the Company has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. The Company Will Pay \$2,250,000 as the Gross Settlement Amount (Gross Settlement). The Company has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Exemption Class Payments, Individual Reimbursement Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, the employer's share of payroll taxes, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, the Company will fund the Gross Settlement not more than fourteen (14) days after the Judgment entered by the Court becomes final. The Judgment will be final forty-five (45) days after the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- b. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$750,000.00 (33 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$12,000.00 for their litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.
- ii. Up to \$9,500.00 as a Class Representative Award for Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Exemption Class Payment, Individual Reimbursement Class Payment (if any), and Individual PAGA Payment (if any).
- iii. Up to \$15,000 to the Administrator for services administering the Settlement.
- iv. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to the Aggrieved Employees in Individual PAGA Payments based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions, except the PAGA Penalties. The Court will consider all objections.

- c. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court and deducting the employer's share of payroll taxes, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Exemption Class Payments to Participating Exemption Class Members based on their Exemption Class Period Workweeks and Individual Reimbursement Class Payments to Participating Reimbursement Class Members who worked remotely during the Reimbursement Class Period based on their Reimbursement Class Period Workweeks.
- d. Taxes Owed on Payments to Class Members. The Settlement shall be broken down as follows: 15% ("Wage Portion") of each Individual Exemption Class Payment to taxable wages and the remaining 85% ("Non-Wage Portion") to penalties and interest. The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments, Individual Reimbursement Class Payments, and the Non-Wage Portions of the Individual Exemption Class Payments on IRS 1099 Forms.

Although Plaintiff and the Company have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Exemption Class Payments, Individual Reimbursement Class Payments, and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
- f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [redacted], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [redacted] Response Deadline. The Request for Exclusion should be a letter from a Class Member or their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Exemption Class Payments or Individual Reimbursement Class Payments but will preserve their rights to personally pursue wage and hour claims against the Company.
- g. You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Company based on the PAGA Period facts alleged in the Action.
- h. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and the Company have agreed that, in either case, the Settlement will be void: the Company will not pay any money and Class Members will not release any claims against the Company.
- i. Administrator. The Court has appointed a neutral company, [redacted] (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks and Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
- j. Participating Class Members' Release. After the Judgment is final and the Company has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement.

This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Company or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Exemption Class Members will be bound by the following release:

All Participating Exemption Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under state, federal and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Exemption Class Members, including without limitation, California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 218.6, 226, 226.3, 226.7, 500, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged misclassification, unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Actions, from October 7, 2018 through October 22, 2023.

The Participating Reimbursement Class Members will be bound by the following release:

All Participating Reimbursement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under state, federal and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Reimbursement Class Members, including without limitation, California Labor Code sections 2802, Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged business expense reimbursement, penalties related to the claims listed above, interest, fees, and costs from October 7, 2018 through March 7, 2020 and March 8, 2022 through October 22, 2023.

- k. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and the Company has paid the Gross Settlement, all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be barred from

asserting PAGA claims against the Company, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Company or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- a. Individual Exemption Class Payments. The Administrator will calculate Individual Exemption Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Exemption Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Exemption Class Member during the Exemption Class Period.
- b. Individual Reimbursement Class Payments. An Individual Reimbursement Class Payment calculated by (a) dividing the Reimbursement Settlement Amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) by the total number of Workweeks worked by all Participating Reimbursement Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Reimbursement Class Member during the Reimbursement Class Period.
- c. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
- d. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Exemption Class Period and Reimbursement Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in the Company's records, are stated in the first page of this Notice. You have until to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the Company's calculation of Workweeks and/or Pay Periods based on the Company's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and the Company's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- a. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Exemption Class Payment, Individual Reimbursement Class Payment, and the Individual PAGA Payment, if applicable.
- b. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as in this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Cervantes v. AmTrust*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information. Remember, you cannot opt-out of the PAGA portion of the Settlement.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and the Company are asking the Court to approve. At least [REDACTED] days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation

Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] or the Court's website [REDACTED].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Cervantes v. AmTrust* and include your name, current address, telephone number, and approximate dates of employment for the Company and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing. Remember, you cannot object to the PAGA portion of the Settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at the Spring Street Courthouse in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website (II) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Company and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to <http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action,

Case No. 22STCV33034. You can also make an appointment to personally review court documents in the Clerk's Office at the Spring Street Courthouse by calling (213) 310-7000.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT.**

The contact information for the Settlement Administrator is as follows:

Email Address:

Mailing:

Address:

Telephone:

Fax Number:

The addresses for the Parties' counsel are as follows:

Class Counsel	Defense Counsel
Joseph Lavi Vincent Granberry Lavi & Ebrahimian, LLP 8889 W. Olympic Blvd., Suite 200 Beverly Hills, CA 90211 Tel.: (310) 432-0000 Fax: (310) 432-0001 E-Mail: jlavi@lelawfirm.com E-Mail: vgranberry@lelawfirm.com	Nicky Jatana Andrea F. Oxman Kishaniah Dhamodaran Jackson Lewis P.C. 725 S. Figueroa St., Suite 2500 Los Angeles, CA 90017 Tel.: (213) 689-0404 Fax: (213) 689-0430 E-Mail: Nicky.Jatana@jacksonlewis.com E-Mail: Andrea.Oxman@jacksonlewis.com E-Mail: Kishaniah.Dhamo@jacksonlewis.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.